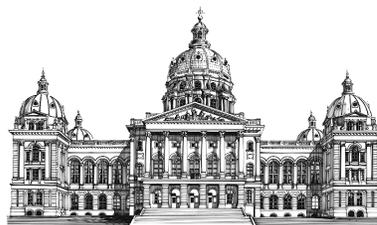

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Board of Regents Unit Cost of Instruction

ISSUE

A review of the unit cost of instruction at the Board of Regents Institutions.

AFFECTED AGENCIES

Board of Regents

BACKGROUND

On a biennial basis, the Board of Regents staff compiles and reports the unit cost of instruction for each university. These reports have been prepared in alternate years since 1969.

The unit cost of instruction represents the general fund support for instructing a full-time (FTE) student. In this case, general fund refers to the general fund budget of each university and not the General Fund of the State of Iowa. General education funds at each university include the following:

- State appropriations
- Tuition income (other than designated tuition)
- Sales and service income (other than auxiliary enterprise generated)
- Indirect cost recoveries (administrative portion of federal funds)
- Restricted funds (federal student aid, federal and nonfederal gifts and grants, and auxiliary enterprises income)

An average cost of instruction could be determined by dividing total costs by the total number of students. However, for the purposes of the unit cost of instruction study, the Board staff makes certain assumptions in an attempt to include only instructional programs and costs and also differentiates costs by student level. Types of costs classified as instructional (included in unit cost calculations) and noninstructional (not included in the unit cost calculations) are listed in the following table.

Instructional Costs	Noninstructional Costs
Instruction	Building Repairs
Student Services	Public Service
Academic Support (excludes Price Lab School at UNI)	Academic Support (includes Price Lab School at UNI)
Institutional Support	Auxiliary Enterprises
Plant Operation and Maintenance	Health Care Units
Research (general education funds only)	Scholarships and Fellowships
	Reimbursed and unreimbursed indirect costs

For FY 2001, total instructional expenditures of \$694.2 million were included in the unit cost calculation. This is an increase of \$60.6 million (9.6%) compared to the instructional expenditures used in the previous unit cost calculation for FY 1999.

The various student level classifications within the unit cost calculations include:

- Lower division (freshman and sophomore)
- Upper Division (junior and senior)
- Masters (graduate)
- Advanced Graduate (Ph.D.)
- Professional (such as MD, DVM, DDS, JD)

The Board Office utilizes full-time equivalent (FTE) students when making the unit cost calculation. An FTE student is based on 31 credit hours per student per fiscal year for undergraduates and 18 credit hours per student per year for graduate students. Each professional student is counted as an FTE.

CURRENT SITUATION

The most current unit cost study completed was for FY 2001 and was presented to the Board of Regents at the June 2002 meeting. The results of this study are shown in the following table with comparisons to the previous results from FY 1999. The total composite unit cost increased 7.3% over the two-year period since FY 1999, for an average increase of 3.7% per year.

**Average Annual Unit Cost of Instruction
FY 1999 to FY 2001**

	FY 1999	FY 2001	Percent Change
University of Iowa			
Lower Division	\$ 6,435	\$ 7,430	15.5%
Upper Division	10,068	11,288	12.1%
<i>Overall Undergraduate</i>	<i>8,301</i>	<i>9,432</i>	<i>13.6%</i>
Masters	18,261	15,792	-13.5%
Advanced Graduate	25,519	33,005	29.3%
Professional	21,782	30,382	39.5%
<i>Total</i>	<i>\$ 12,623</i>	<i>\$ 14,210</i>	<i>12.6%</i>
Iowa State University			
Lower Division	\$ 6,663	\$ 6,926	4.0%
Upper Division	9,550	9,621	0.7%
<i>Overall Undergraduate</i>	<i>8,242</i>	<i>8,402</i>	<i>1.9%</i>
Masters	11,086	11,549	4.2%
Advanced Graduate	14,075	15,444	9.7%
Professional	48,169	50,714	5.3%
<i>Total</i>	<i>\$ 9,677</i>	<i>\$ 9,957</i>	<i>2.9%</i>
University of Northern Iowa			
Lower Division	\$ 5,381	\$ 6,060	12.6%
Upper Division	9,312	9,622	3.3%
<i>Overall Undergraduate</i>	<i>7,742</i>	<i>8,132</i>	<i>5.0%</i>
Masters	11,580	13,664	18.0%
Advanced Graduate	16,922	18,954	12.0%
Professional	NA	NA	NA
<i>Total</i>	<i>\$ 8,292</i>	<i>\$ 8,817</i>	<i>6.3%</i>
<i>Total Regents Universities</i>			
Lower Division	\$ 6,321	\$ 6,931	9.7%
Upper Division	9,666	10,170	5.2%
<i>Overall Undergraduate</i>	<i>8,151</i>	<i>8,698</i>	<i>6.7%</i>
Masters	14,652	14,000	-4.4%
Advanced Graduate	19,508	22,348	14.6%
Professional	24,622	32,921	33.7%
<i>Total</i>	<i>\$ 10,617</i>	<i>\$ 11,395</i>	<i>7.3%</i>

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Source: "Unit Cost Study for FY 2001" (docket item G.D. 10) presented to the Board of Regents on June 10, 2002. The full text of this report is available online at:

<http://www2.state.ia.us/regents/meetings/DocketMemos/02Memos/jun02/jungd10.pdf>

Board of Regents Unit Cost of Instruction
<http://www.staffweb.legis.state.ia.us/lfb/IREVIEW/ireview.htm>
 LFB: IRMAS000.Doc/10/28/02/11:30 a.m.